

Benin

Population: 11.18 million
GDP Growth (2017): 5.6%
GDP/Cap (PPP): \$2,266
Ease of Doing Business: 151

ENERGY SECTOR OVERVIEW

The Government of Benin has adopted a far-reaching policy reform agenda in support of a second compact in partnership with the Millennium Challenge Corporation (MCC). MCC has supported the Government of Benin to establish an independent electricity regulator with the authority to regulate tariffs, pass a new law encouraging public-private partnerships, and approve a performance plan with measurable targets for the national utility, SBEE (Société Béninoise d'Energie Electrique). To date, Benin has had little experience with independent power producers (IPPs) and off-grid companies but has demonstrated clear interest in opening its power sector to private investment.



GENERATION CAPACITY

Installed Capacity: 349 MW

- Diesel and HFO: 249 MW
- Hydro: 100 MW

Power Africa new MWs to date

- Reached Financial Close: N/A

Power Africa 2030 Pipeline:
460 MW



CONNECTIONS

Current access rate: 32%

- Rural: 11% Urban: 56%

Households without power:
1.5 million

Power Africa new off-grid connections:
330,280

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. National utility SBEE requires operational and financial support
2. Unclear legal or regulatory framework for and limited experience with IPPs
3. Nascent off-grid sector

Power Africa Interventions

1. The Millennium Challenge Corporation leads Power Africa's work in Benin through a \$375 million grant agreement focused on strengthening the power sector. The Government of Benin is co-investing \$28 million.
2. Through the Compact, MCC will support tariff reforms, develop an enabling environment for IPPs, and support the operational independence and financial viability of SBEE.
3. MCC will also assist the Government to establish a master plan for off-grid electrification and a grant fund to support clean off-grid services.



POWER AFRICA'S ENGAGEMENT IN BENIN

MW GENERATION

The MCC compact will support the construction of four solar photovoltaic plants adding 45 MW of generation capacity and the rehabilitation of a micro-hydro plant adding 1 MW. With support from the compact, Benin will release competitive solicitations seeking IPPs to invest in power production. Compact funding could also be used for viability gap financing to assist with the costs of design and construction.

Power Africa is also supporting the 450 MW regional power project at Maria Gleta to reach financial close through a dedicated public private partnerships (PPP) advisor embedded at the West Africa Power Pool, headquartered in Cotonou.

CONNECTIONS

The MCC compact will modernize Benin's electricity distribution infrastructure to expand capacity and improve reliability. Compact funding will improve the grid in Cotonou, Benin's economic capital, add distribution infrastructure for planned solar photovoltaic plants, and establish a modern distribution control center.

MCC will assist the Government of Benin to establish a policy, strategy, master plan and regulatory framework for off-grid electrification, along with a grant fund to support clean off-grid services. Those services include critical public infrastructure, mini-grids, household systems, and energy efficiency.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, over 145 private companies, and 18 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power: Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connection by 2030 to reach 300 million Africans.

CONTACT US

Post Contact
Christopher Broughton
Resident Country Director, MCC
broughtoncn@mcc.gov

Coordinator, Power Africa
Andrew M. Herscowitz
powerafrica@usaid.gov

Country Desk Officer
Jeff Zahka
jzahka@usaid.gov

www.usaid.gov/powerafrica | www.facebook.com/PowerAfrica | www.twitter.com/@PowerAfricaUS

